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TO RUEHEG/AMEMBASSY CAIRO PRIORITY 0000  
INFO RUETIAA/DIRNSA FT GEORGE G MEADE MD  
RUEAIIA/CIA WASHINGTON DC  
RHMCSUU/FBI WASHINGTON DC 0000  
RUEKJCS/SECDEF WASHINGTON DC  
RUCPDOG/USDOC WASHINGTON DC 0000

UNCLAS STATE 119552

SENSITIVE  
SIPDIS  
CAIRO FOR MELISSA CLINE

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [EG](#)  
SUBJECT: BLUE LANTERN LEVEL 1: POST-SHIPMENT END-USE CHECK  
ON LICENSES 050073373 AND 050120640

REF: EMAIL BALLARD-CLINE

11. (U) This is an Action Request. See paragraph 4.

12. (U) The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a post-shipment check on licenses 050073373 and 050120640 for the export of firearms to Egypt. Post is requested to complete this Blue Lantern check within 45 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

13. (SBU) Reason for Request: Information obtained by PM/DTCC indicates that a Smith & Wesson firearm originally exported to M. M. Fathallah of Egypt bearing serial number BJM3308 may have been re-exported without Department authorization. This request is for Post to inquire with M. M. Fathallah about the current disposition of all the firearms bearing the serial numbers listed in REFTEL. Post is also requested to establish a baseline for M. M. Fathallah's annual sales of U.S.-origin firearms.

14. (SBU) Action Request: Post is requested to verify that the firearms listed below were received by M. M. Fathallah and to determine the company's annual sales of U.S.-origin firearms. Post is also requested to review the records of sale for all the serial numbers listed in REFTEL to determine if any were re-exported. Finally, Post should obtain all available information on the Smith & Wesson firearm bearing serial number BJM3308 (exported on license 050120640) and provide that information to PM/DTCC. The following points are included for guidance:

(To M. M. Fathallah)

--What are your annual sales of U.S.-origin firearms?

--Can you confirm receipt of all the firearms listed on these licenses?

--Do you sell firearms to customers that reside outside Egypt?

--Are you familiar with the regulations governing the import of U.S.-origin defense articles, including restrictions on re-transfer or re-export?

--Please provide all sales records for the firearms received in these transactions. (NOTE: Post should use this information to determine the current disposition of Smith & Wesson BJM3308 and provide this information to PM/DTCC. END NOTE)

In its reply, Post may also comment on any other information

pertinent to these transactions such as security of facilities, end-use, and concerns about the entities involved.

15. (U) Details of license applications:

A.

DTC Case: 050073373

QUANTITY/COMMODITY:

20 9mm Pistols (S&W 910)

10 9mm Pistols (S&W M&P)

10 9mm Pistols (S7W SW9VE)

License Value: USD \$16,050

SELLER:

RSR Group  
4405 Metric Drive  
Winterpark, FL 32792

FOREIGN END-USER:

M.M. Fathallah  
24 Saad Zaghloul St.  
Alexandria, Egypt  
Tel: 203 4808340 / 4807725

AND

1 Abdel Khalik Sarwat Street  
Cairo, Egypt  
Tel: 202 25751448 / 25760582

PURPOSE:

Commercial resale in Egypt.

B.

DTC Case: 050120640

QUANTITY/COMMODITY:

40 9mm Pistols (Sig Sauer P229)

70 9mm Pistols (S&W 5906)

License Value: USD \$113,620

SELLER:

RSR Group  
4405 Metric Drive  
Winterpark, FL 32792

FOREIGN END-USER:

M.M. Fathallah  
24 Saad Zaghloul St.  
Alexandria, Egypt  
Tel: 203 4808340 / 4807725

AND

1 Abdel Khalik Sarwat Street  
Cairo, Egypt  
Tel: 202 25751448 / 25760582

PURPOSE:

Commercial resale in Egypt.

16. (U) Submitted in support of the license application were

the following documents (PM/DTCC will fax documentation to Posts upon request):

1A.

DSP-83 Nontransfer and End Use Certificate signed by Cathy Mandery (RSR Group) dated 10/31/2007 and Mohamed M. Fathallah dated 10/24/2007

Import license (and translation) for M.M. Fathallah dated 26 August 2007 (License No. 19813)

Order Confirmation Letter from M.M. Fathallah dated 21 August 2007

Importers Record (and translation) for MM. Fathallah issued by Egyptian Ministry of External Trade and Industry

1B.

DSP-83 Nontransfer and End Use Certificate signed by Cathy Mandery (RSR Group) dated 08/27/2008 and Mohamed M. Fathallah dated 05/22/2008

Import license (and translation) for M.M. Fathallah dated 26 August 2007 (License No. 19813)

Order Confirmation Letter from M.M. Fathallah dated 22 May 2008

Importers Record (and translation) for MM. Fathallah issued by Egyptian Ministry of External Trade and Industry

17. (U) Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Kyle M. Ballard, Phone: 202-663-1929; Email: BallardKM@state.gov; SIPRNET: BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file on Intellipedia: [http://www.intelink.gov/wiki/Blue\\_Lantern\\_End-Use\\_Monitoring\\_Program](http://www.intelink.gov/wiki/Blue_Lantern_End-Use_Monitoring_Program)

18. (U) Department is grateful for Post's assistance in this matter.  
CLINTON